Merger of Associate Banks of SBI

2628. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to merge the associate banks of SBI group into State Bank of India and redefine the banking as one Nation, one State Bank and one Account;

(b) if so, by when; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) No Such proposal is presently under consideration. The Government is of the view that such a proposal needs to emanate from the Boards of the concerned banks.

Realization of outstanding export proceeds

2629. SHRI MOTIUR RAHMAN: Will the Minister of FINANCE be pleased to state:

(a) whether every exporter is required to realize and repatriate full export value of goods within six months from the date of export;

(b) whether substantial amount of export proceeds are pending realization beyond permissible period of 180 days: and

(c) the measures taken for realization of the outstanding export proceeds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. However, following units are permitted to realize and repatriate the value of export proceeds within 12 months from the date of export.

(i) 'Status Holder' as defined in the Foreign Trade Policy.

(ii) 100% EOUs set up under Electronic Hardware Technology parks, Software Technology parks and Biotechnology parks.

No period of realization of export proceeds is prescribed for units located in Special Economic Zones.

(b) Based on the data as reported by authorized dealers, RBI has informed that for half year ending December 31,2005 the amount of export outstanding beyond 6 months is Rs. 20,866.47 crores. This constitutes 4.1% of total exports valued at Rs. 4,98,124 crores as per Director General of Commercial Intelligence and Statistics (DGCI&S) data for the corresponding period.

(c) In the case of non-realization of export proceeds for the exports

effected by availing export promotion schemes administered by the DGFT, the offices of the DGFT initiate necessary proceedings against the exporters for recovery of duty exemption/neutralization benefit availed and imposition of penalty, if any, in terms of the provisions of FT(D&R) Act, 1992 and the Policy and procedures laid thereunder. If the defaulting firm does not pay the same, the Adjudicating Authority declares the firm defaulter, thereby suspending all export benefits to the firm and the Importer-Exporter Code Number of the applicant is suspended/cancelled by the DGFT. In addition, steps are taken for its recovery as an arrear of Land Revenue through the State Government machinery.

The RBI has also directed Authorized dealers/Banks to monitor realization of export bills and take up systematically and vigorously with the concerned exporter where bills remain outstanding beyond the due date. The matter is also required to be reported to the concerned regional offices of the RBI.

Loss due to subsidies

2630. SHRI RAM DAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government have so far made any assessment as to how much money is being lost by way of various concessions, subsidies, relaxations being given by Government to industry, farmers, SEZs, EPZED, FTZED and reduction in Excise and Customs duty on various products;

(b) in what manner Government propose to justify socially giving of so much concessions to above mentioned institutions when these are already earning huge profits as may be seen from their balance sheets; and

(c) what are the advantages to general public by giving huge benefits in the form of subsidy and concessions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. The estimated overall revenue forgone on account of various concessions given by Government amounts to Rs. 158661 crore in 2004-05. The estimate of explicit subsidies for the year 2004-05 (Actuals) is Rs. 43,653 crore.

(b) and (c) Poverty and unemployment are the two major problems facing the country. Targeted subsidies are meant to ensure that the basic necessities are made available to the poor at prices affordable to them. Some subsidies and concessions are given to ensure generation of